

1. Initial per-diem rates: A new facility shall submit to the division a written request for establishment of an initial per-diem rate. The request shall include all documentation necessary to determine the allowable capital in accordance with procedures described in subparagraph (11)(A)3.B. The initial per-diem rate shall become effective on the date the new facility satisfies all licensing and certification requirements of the Division of Aging for participation in the Medicaid program as a skilled nursing facility and any additional requirements of this regulation for participation in the Pediatric Nursing Care Program. The initial per-diem rate shall be established as the lower of the level-of-care ceiling in effect on the effective date of the initial per-diem rate, or the average private pay rate, or the Medicare (Title XVIII) per-diem rate, if applicable.

2. Interim rate. The new facility shall file a cost report in accordance with all applicable requirements of this regulation by the first day of the fourth month following the close of the new facility's first full facility fiscal year. Based upon the data contained in the desk-reviewed and/or field audited first full facility fiscal year cost report, provided the reported costs are allowable, covered, properly apportioned, properly allocated and properly classified as prescribed elsewhere in this regulation, an interim per-diem rate shall be established. The interim per-diem rate shall be the sum of the patient care per-diem rate and the general and administrative per-diem rate, applying the procedures described in paragraphs (11)(A)1. and (11)(A)2., plus the capital per-diem rate as originally fixed per subparagraph (11)(A)3.B. The interim rate shall

be established retroactive to the first day of the first full facility fiscal year and prospectively up to the July 1 following the last day of the facility's second full facility fiscal year. On the July 1 following the last day of the facility's second full facility fiscal year, the facility will become eligible for the annual rate determination described in subsection (11)(A). New facilities are eligible for trend factors applied only to the patient care portion of the per-diem rate which may be authorized between the effective date of the interim rate and the date the facility becomes eligible for annual rate determination.

(12) Rate Reconsideration.

(A) A provider may request reconsideration of the per-diem rate only under the following circumstances:

1. When the provider can show that it incurred higher costs dues to circumstances beyond its control and the circumstance is not experienced by the nursing home industry in general, the request must have a substantial cost effect. These circumstances include, but are not limited to:

A. Acts of nature such as fire, earthquakes and flood that are not covered by insurance; or

B. Vandalism and/or civil disorder; or

C. Replacement of capital depreciable items not built into the existing rate that are the result of circumstances not related to normal wear and tear or upgrading of existing systems.

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2. The request for rate reconsideration must be submitted in writing to the Division, must specifically and clearly identify the reason for the request, must include sufficient documentation evidencing that the costs were actually incurred, must be in detail sufficient for the Division to determine whether or not the costs were or were not included in the rate, and must include the amount requested.

3. The Division will make a recommendation to the Director of the Department of Social Services within sixty (60) days following the receipt of all documentation required and/or necessary to evaluate the request. The Director of the Department of Social Services or his/her designee's final decision on each request shall be issued in writing to the provider within fifteen (15) working days from receipt of the Division's recommendation.

4. The director or his/her designee's final determination on the Division's recommendation shall become effective on the first day of the month in which the request was made providing that it was made prior to the tenth of the month. If the request is not filed by the tenth of the month, adjustments shall be effective on the first day of the following month.

(13) Rate Adjustments.

(A) Unless specifically provided elsewhere in these regulations, the Division may increase or decrease the per-diem rate both prospectively and retrospectively only under the following conditions:

1. Pursuant to a court decision; or

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2. Pursuant to an Administrative Hearing Commission decision or order.

(B) Unless specifically provided elsewhere in these regulations, the Division may decrease the per-diem reimbursement rate both prospectively and retrospectively only under the following conditions:

1. If the information contained in or attached to a cost report on which a per-diem rate has been based is found to be fraudulent, misrepresented or inaccurate, and if the fraudulent, misrepresented or inaccurate information as originally reported resulted in establishment of a higher per-diem rate than the facility would have received in the absence of such information;

2. When the facility's Medicaid per-diem rate is higher than either its private pay rate or its Medicare (Title XVIII) rate; or

3. When a determination through desk audits, field audits and other means established that unallowable costs were included in a cost report used to establish the per-diem rate.

(C) Global Per-Diem Rate Adjustments. A facility with either an interim rate or a prospective rate may qualify for the global per-diem rate adjustments. Global per-diem rate adjustments shall be added to the level of care ceiling.

1. Minimum wage adjustment. Effective for payment dates on or after November 15, 1996, an increase of two dollars and forty-five cents (\$2.45) shall be granted to a facility's per diem to allow for the change in federal minimum wage. Utilizing fiscal year 1995 cost report data, the total industry hours reported for each payroll category was multiplied by the fifty cent (\$.50) increase, divided by the patient days for the facilities reporting hours for that payroll category and factored up by 8.67% to account for the related increase to payroll taxes. This calculation excludes the Director of Nursing, the Administrator and Assistant Administrator.

(14) Sanctions and Overpayments.

(A) In addition to the sanctions and penalties set forth in this regulation, the Division may also impose sanctions against a provider in accordance with 13 CSR 70-3.030 Sanctions for False or Fraudulent Claims for Title XIX Services, or any other sanction authorized by state or federal law or regulation.

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2. Minimum wage adjustment. All facilities with either an interim rate or a prospective rate in effect on September 1, 1997, shall be granted an increase to their per diem effective September 1, 1997, of one dollar and ninety-eight cents (\$1.98) to allow for the change in minimum wage. Utilizing fiscal year 1995 cost report data, the total industry hours reported for each payroll category was multiplied by the forty cent (\$.40) increase, divided by the patient days for the facilities reporting hours for that payroll category and factored up by 8.67% to account for the related increase to payroll taxes. This calculation excludes the Director of Nursing, the Administrator and Assistant Administrator.

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(B) Overpayments due the Medicaid program from a provider shall be recovered by the Division in accordance with state regulation 13 CSR 70-3.030 Sanctions for False or Fraudulent Claims for Title XIX Services.

(15) Appeals. In accordance with sections 208.156, RSMo 1986, and 622.055, RSMo (Supp. 1989), providers may appeal final decisions of the Director, Department of Social Services or the Division of Medical Services to the Administrative Hearing Commission.

(16) Transition. Cost reports used for rate determination shall be adjusted by the Division in accordance with the applicable cost principles provided in this plan for those facilities with Medicaid participation agreements in effect on June 30, 1989 which also qualify on July 1, 1990 for participation in the Pediatric Nursing Care Program.

APPENDIX A

ABD. Pads

A & D Ointment

Adhesive Tape

Aerosol Inhalators, Self-Contained

Aerosol, Other Types

Air Mattresses, Air P.R. Mattresses

Airway-Oral

Alcohol

Alcohol Plasters

Alcohol Sponges

Alternating Pressure Pads

Antacids, Non-Legend

Applicators, Cotton-tipped

Applicators, Swab-eez

Aquamatic K Pads (Water-Heated Pad)

Arm Slings

Asepto Syringes

Baby Powder

Bandages

Bandages - Elastic or Cohesive

Band-aids

Basins

Bed Frame Equipment (for certain immobilized bed patients)

Bed Rails

Bedpans, all types

Bedpans, manual, electric, clinitron

Bedside Tissues

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Benzoin
Betadine
Bibs
Blood Infusion Sets
Bottle, Specimen
Canes, all types
Cannula-Nasal
Catheter Indwelling
Catheter Plugs
Catheter Trays
Catheter (Any Size)
Colostomy Bags
Combs
Commodes, all types
Composite Pads
Cotton Balls
Crutches, all types
Decubitus Ulcer Pads/Dressings
Denture cleaner, soak
Denture cups
Deodorants
Diapers
Disposable Underpads
Donuts
Douche Bags
Drain Tubing
Drainage Bags
Drainage Sets
Drainage Tubes

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Dressing Tray

Dressings, all types

Drugs, stock (excluding insulin)

Enema Soap

Enema Supplies

Enema Unit

Equipment and Supplies for Diabetic Blood and Urine Testing

Eye Pads

Feeding Tubes

Fingernail clipping and cleaning

Flotation Mattress or Biowave Mattress

Flotation Pads and/or Turning Frames

Foot Cradle, all types

Gastric Feeding Unit, including bags

Gauze Sponges

Gloves, Unsterile and Sterile

Gowns, Hospital

Green Soap

Hair brushes

Hair care, basic

Hand Feeding

Heat Cradle

Heating Pads

Heel Protector

Hot Pack Machine

Hydraulic Patient Lifts

Hypothermia Blanket

Ice Bags

Incontinency Care

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Incontinency Pads and Pants
Infusion Arm Boards
Infusion pumps, enteral and parenteral
Inhalation Therapy Supplies
Irrigation Bulbs
Irrigation Trays
I.V. Needles
I.V. Trays
I.V. Tubing
Jelly Lubricating
Laxatives, Non-Legend
Lines, Extra
Lotion, Soap, and Oil
Massages (by facility personnel)
Mattresses, all types
Medical Social Services
Medicine Dropper
Medicine Cups
Methiolate Aerosol
Mouthwashes
Nasal Catheter
Nasal Catheter, Insertion and Tube
Nasal Gastric Tubes
Nasal Tube Feeding and feeding bags
Nebulizer and Replacement Kit
Needles (various sizes)
Needles-Hypodermic, Scalp, Vein
Nursing Services (all) regardless of level including the
administration of oxygen and restorative nursing care

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